



H.R. 3232 – The Travel Promotion Act

FLOOR SITUATION

H.R. 3232 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative William Delahunt (D-MA) on July 31, 2007. The Energy and Commerce Committee approved the bill, as amended, by voice vote on September 23, 2008.

H.R. 3232 is expected to be considered on the floor on September 25, 2008.

*Note: Senator Dorgan (D-ND) introduced similar legislation (S. 1661) on June 19, 2007.

SUMMARY

Establishment of the Corporation for Travel Promotion: The Travel Promotion Act creates the Corporation for Travel Promotion, which is a nonprofit corporation and shall not be an agency of the United States Government. The Corporation shall be subject to the provisions of the District of Columbia Nonprofit Corporation Act.

The Corporation shall have a board of directors that consist of 15 members appointed by the Secretary of Commerce after consultation with the Secretaries of Homeland Security, State, and Education. Each member of the board shall be a United States citizen. The Board members shall annually elect a chairman and one or more vice chairmen. Members of the board are prohibited from receiving compensation for their work in this capacity.

The Corporation will be used to provide information to foreign tourists, business people, students, scholars, scientists and others interested in traveling to the United States, including the distribution of material provided by the Federal Government concerning entry requirements, required documentation, fees, and processes, to prospective travelers, travel agents, tour operators, meeting planners, foreign governments, travel media and other international stakeholders. Additionally, it will be responsible for promoting travel to the United States and maximizing the economic and diplomatic benefits of travel to the United States.

The board is responsible for developing a marketing plan each year and providing an annual report to Congress about the Corporation's activities.

The bill prohibits the Corporation from spending over \$25,000,000 on any advertising campaign, promotion, or related effort unless it is approved by 2/3 of members present at a board meeting (at least 8 members have to be present and all members must be given 3 days advance notice of the meeting). The Corporation is prohibited from supporting any political party or political candidate.

Funding: Up to \$10,000,000 million, subject to appropriations, may be borrowed from the Treasury in the first year, but the Corporation must repay (with interest) the borrowed funds at the "earliest practicable date," with at least 50 percent repaid by October 1, 2011, and 100 percent reimbursed before October 1, 2013.

Travel Promotion Fund: The legislation also establishes the Travel Promotion Fund, that will allow the Secretary of Homeland Security to assess a fee for access to the online system that is part of the Visa Waiver Program.



LEGISLATIVE DIGEST

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In fiscal years 2010 through 2013, the Treasury Secretary can transfer up to \$100 million into the Fund from the Travel Promotion Fund Fees established by the bill. The Treasury may transfer twice the amount the corporation is raises from non-Federal sources for Fiscal year 2010, and may transfer an amount equal to the amount collected from non-Federal sources in subsequent years.

BACKGROUND

The committee report for the Senate version of the Travel Promotion Act states:

“Federal promotion of tourism in the United States dates back to the establishment of the United States Travel Bureau in 1937. However, only in the past 40 years has the DOC had an office or administration that promotes U.S. tourism to foreign citizens through coordinated advertising. Enacted in 1961, the International Travel Act required the Secretary of Commerce, through the establishment of the United States Travel Service (USTS), to carry out a program to encourage travel to the United States by persons from foreign countries. Appropriations directed to the USTS increased until 1977, when Congress and the White House began scaling back the government's role in advertising. Federal funding for advertising was eliminated in 1996, when Congress abolished the United States Travel and Tourism Administration, the successor of the USTS.”

The Department of Commerce's International Trade Administration currently contains an Office of Travel and Tourism Industries (OTTI), which is responsible for the “inherent federal role of expanding travel and tourism business opportunities for employment and economic growth.”

According to the OTTI, under the National Tourism Organization Act of 1996 “the Secretary of Commerce is responsible for performing critical tourism functions such as to collect and publish comprehensive international travel and tourism statistics and other marketing information, facilitate in the reduction of barriers to travel, represent the United States international travel and tourism interests to foreign governments, and maintain the U.S. participation in international travel and tourism trade shows, as well as develop and implement a comprehensive tourism policy and plan.”

The responsibilities of the OTTI include: management of a travel and tourism statistical system, implementing an international promotion program, management of a tourism policy, and technical assistance for expanding export.

According to the Department of Commerce, the nation with most foreign visitors to the United States is Canada with 17.8 million visitors followed by Mexico (14.3 million visitors), United Kingdom (4.5 million visitors), and Japan (3.5 million visitors).

COST

According to the Congressional Budget Office, the Senate version of the Travel Promotion Act “would increase revenues by an estimated \$62 million over the 2009-2012 period and \$145 million over the 2008-2017 period, net of income and payroll tax offsets. CBO also estimates that enacting S. 1661 would increase direct spending by \$3 million in 2008, \$65 million over the 2008- 2012 period, and \$180 million over the 2008-2017 period.” ([CBO Estimate](#))

STAFF CONTACT

For questions or further information contact Conference Policy Office at 6-2302.